

# CHILE:

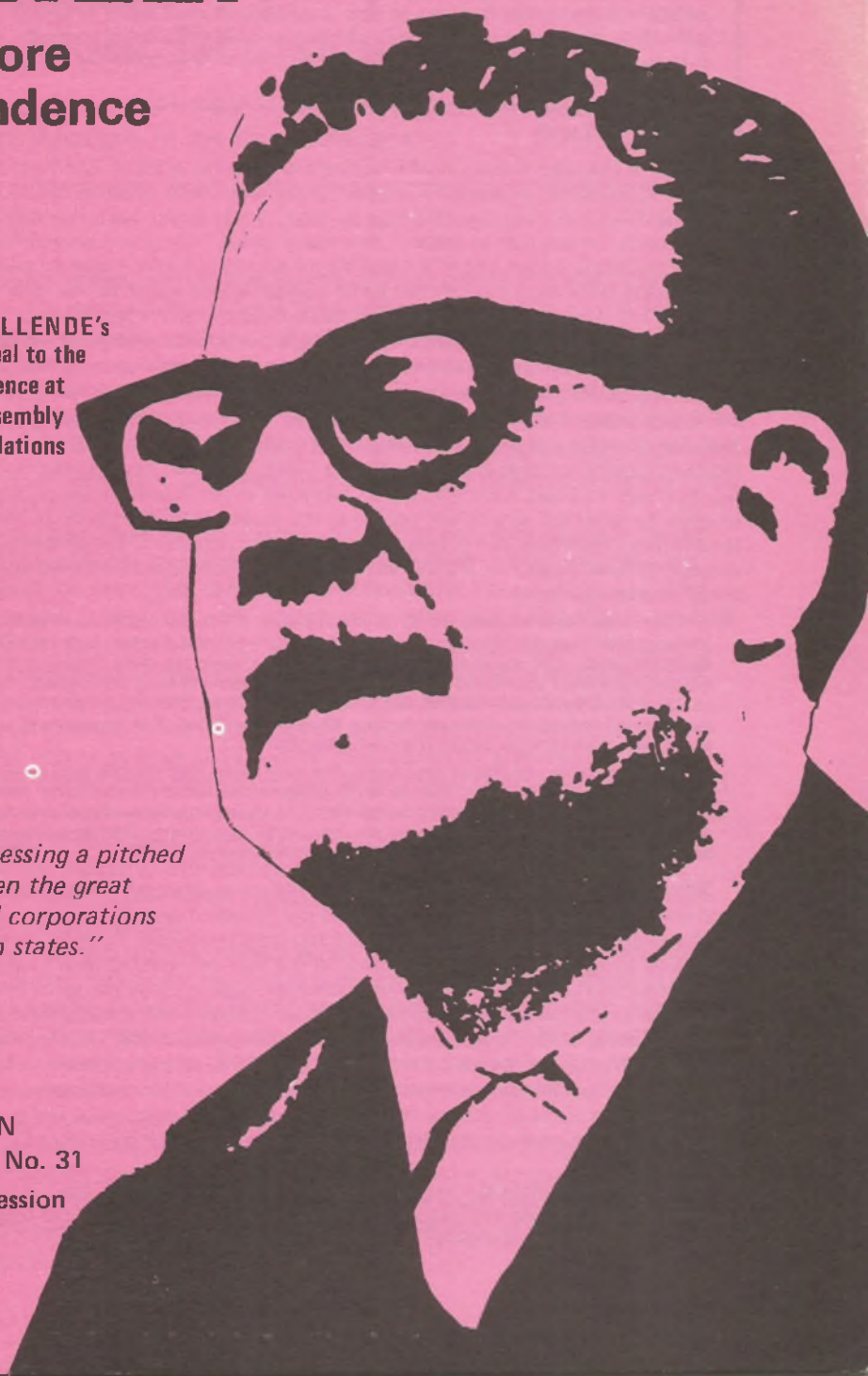
## No More Dependence

SALVADOR ALLENDE's  
Prophetic Appeal to the  
World's Conscience at  
the General Assembly  
of the United Nations

*"We are witnessing a pitched  
battle between the great  
transnational corporations  
and sovereign states."*

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The death of Salvador Allende, and the brutal repression of socialists and trade unionists which has been raging through Chile since the September military coup makes the text of this pamphlet an even more poignant appeal than it was when we initially published it. We reprint it verbatim since it is now part of the record of a brave attempt to overcome the most daunting obstacles.

## INTRODUCTION

Once, in the time when Claud Cockburn was on the staff of *The Times* newspaper, its journalists organised a contest to see who could compile the most boring headline. Cockburn has reported that he won, hands down, with this inspired effort: "Small Earthquake in Chile — Not Many Dead." Until comparatively recently, no-one in Britain either knew or cared about events in Latin America, unless earthquakes were large enough not to be boring, which might be the case if there were a great many dead. It is not the sudden awakening of conscience in this country which has changed all this, although such an awakening has, at last begun. Present-day concern arises, above all, as a result of the long-delayed, but now powerfully developing reactions of the peoples of Latin America themselves, who are at last engaged in a full-scale revolt against oppression and exploitation. First with the liberation of Cuba from imperial control, and now with the astonishingly rapid arousal of socialist understanding in Chile, dramatic new examples are being set, not only to Latin America, but to everyone in the Southern hemisphere, and to growing numbers of wealthy people in the most advanced capitalist countries themselves. Once they can defend themselves, the peoples of Latin America become able to win support. This is not a new condition. Aneurin Bevan has recounted a similar story:

"One experience remains vividly in my memory. While the miners were striking in 1926 a great many people were moved to listen to their case. Certain high ecclesiastical dignitaries even went so far as to offer to mediate between the mine-owners and the miners. They were convinced that the terms the coal-owners were attempting to impose on the miners were unreasonable, and would entail much suffering and poverty for hundreds of thousands of miners' homes. Their efforts failed. The miners were beaten and driven back to work under disgraceful conditions.

For years these conditions continued. But were those high Church dignitaries moved to intervene then? Not at all. For them the problem was solved. It had never consisted in the suffering of the miners, but in the fact that the miners were still able to struggle and therefore to create a problem for the rest of the community. The problem was not their suffering but their struggle. Silent pain evokes no response."

Salvador Allende has overcome some of the most intractable problems which face modern socialist movements. To lead the forces of popular unity to victory in Chile required no small resources of skill and understanding. To carry through an audacious programme of nationalisation in the face of frenzied attacks at home and abroad was to display considerable courage. But to resist the great international corporations effectively, one needs more than courage: one needs solidarity, on an ascending scale. Now, in this crucially important speech to the United Nations General Assembly, delivered on December 4th 1972, he has appealed to the peoples of the world for their support and aid. We, socialist of that small section of the world which exploits all others, should ensure that such support is forthcoming, on a scale which can grow to meet the very real threats of which President Allende has warned us.

The great transnational companies are not only at war with Chile. They are ranged against all trade unionists everywhere, who need to answer the appeal of Chile, not merely as a brotherly act, but in simple self-defence.

*Ken Coates*

# CHILE: No More Dependence

SALVADOR ALLENDE's Appeal to the World's Conscience at the General Assembly of the United Nations.

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I am very grateful for the high honour of being invited to speak from this rostrum, the most representative in the world and the most important forum in all matters concerning mankind. I should like to greet the Secretary-General of the United Nations, whom we were honoured to welcome to our country during his first few weeks of office, the representatives of more than 130 countries composing the General Assembly, and you, Mr. President, who come from a country with which we have friendly ties, and whom we have known personally since you presided over the delegation of the People's Republic of Poland at the third session of UNCTAD.

I come from Chile, a small country, but one where every citizen is free to express himself as he sees fit, where there is unlimited cultural, religious and ideological tolerance, and where racial discrimination has no place; a country whose working class is united in a single trade-union federation, where universal suffrage and the secret ballot are the corner-stones of a multiparty system; whose parliament has been active without interruption since its creation 160 years ago, whose judiciary is independent of the executive, and whose Constitutional Charter, which has practically never ceased to be applied, has been amended only once since 1833. I come from a country where public life is organised around civic institutions, one whose armed forces have demonstrated their professional vocation and profound democratic spirit; a nation of close to 10 million people which, in one generation, has produced two Nobel Prize-winners for literature, Gabriela Mistral and Pablo Neruda, both children of modest workers; a land whose history, soil and people have merged in a great sense of national identity.

Chile, however, is also a country whose backward economy has been subjected to, even taken over by, foreign capitalist enterprises, and whose external debt has swollen to over \$4,000 million, the annual service of which represents more than 30 per cent of the value of its exports; a country with an economy sensitive to outside events, chronically stagnant and inflationary, where millions of people have been forced to live in circumstances of exploitation, misery and open or covert unemployment.

I come here today because my country is confronted with problems that, because of their universal importance, are the object of the permanent concern of this Assembly of nations: namely, the fight for social liberation, the struggle for well-being and intellectual progress, and the defence of national identity and dignity.



The prospect that faced my country, as in the case of so many others of the third world, was the familiar model of adopting an alien pattern of modernisation, which technical studies and tragic reality have both shown to have the inevitable effect of excluding more and more millions of people from all possibility of progress, well-being and social liberation and relegating them to a sub-human existence — a pattern destined to lead to still greater housing shortages and to condemn an ever-increasing number of citizens to unemployment, illiteracy, ignorance and physical want.

In a word, the prospect before us was the same one we had always been forced to accept in our state of colonisation or dependency; the one in which we were exploited in times of cold war as well as of open conflagration and of peace. We, the under-developed countries, are asked to agree to being condemned to a second-class, eternally subordinate status.

This then is the pattern which the working class of Chile, upon becoming arbiter of its own future, has decided to reject, striving instead for a rapid, self-determined and independent development and the revolutionary reorganisation of traditional structures.

The Chilean people has won for itself the reins of government, after a long period of noble sacrifice and it is now fully engaged in the task of establishing economic democracy so that the country's productive activities will meet its social requirements and expectations and not be exploited for private gain. Through a well-planned and coherent programme, the old structure based on the exploitation of the worker and the domination of the principal means of production by a minority is being superseded. Its place is being taken by a new structure directed by the workers which, in serving the interests of the majority, is laying the foundations for a pattern of growth which spells genuine development, which involves all the inhabitants of the country and which does not relegate vast sections of the people to poverty and social banishment.

The workers are replacing the privileged groups politically and economically, both in the centres of work and in the communes and the State itself. This is the revolutionary content of the process being experienced by my country today: the rejection and replacement of the capitalist system and the opening of a way towards socialism.

The need to place all our economic resources at the service of the people's tremendous unsatisfied requirements had to go hand in hand with the recovery by Chile of its national dignity. We had to put an end to the situation where we Chileans, struggling against poverty and stagnation, were forced to export huge amounts of capital for the benefit of the most powerful market economy in the world. The nationalisation of our basic resources constituted a historic act of reclamation. Our economy could no longer tolerate the state of subordination implied in the concentration of more than 80 per cent of its exports in the hands of a small group of large, foreign companies that have always placed their own interests before the needs of the countries in which they were making exorbitant profits. Neither could we accept the vicious effects of the *latifundio*, the industrial and commercial monopolies, the restriction of credit in favour of only a few, or the brutal inequalities in income distribution.

The change we are effecting in the power structure; the management role

which the workers are progressively assuming; the nation's recovery of its basic resources and the freeing of our country from its subordination to foreign Powers constitute the culmination of a long historic process of efforts to win political and social freedoms and of heroic struggle by several generations of industrial and rural workers to organise themselves as a social force in order to conquer political power and oust the capitalists from economic power.

The Chilean people's traditions, personality and revolutionary consciousness have enabled them to push forward towards socialism while strengthening civic freedoms, both collective and individual, and respecting cultural and ideological pluralism. Ours is a continuing struggle for the institution of social freedoms and economic democracy through the full exercise of political freedom.

Our nation's democratic will has taken up the challenge to carry through this revolutionary process within the framework of a law-abiding and highly institutionalised State, which has been flexible to change and today faces the need to adapt to the new socio-economic reality.

We have nationalised our basic resources. We have nationalised copper. We have done so by a unanimous decision of Parliament, in which the Government parties are in the minority. We want everybody to understand this clearly: we have not confiscated the great foreign copper-mining companies. In accordance with constitutional law, however, we have put right a long standing injustice by deducting from the amount of compensation the profits over 12 per cent per annum which those companies have obtained since 1955.

The profits which some of the nationalised companies had obtained over the previous 15 years were so exorbitant that, in applying the limit of a reasonable profit of 12 per cent per annum, the companies were affected by significant deductions. Such was the case, for example, with a branch of the Anaconda Company, whose annual profits in Chile between 1955 and 1970 averaged 21.5 per cent on its book value, while Anaconda's profits in other countries were only 3.6 per cent per annum. The same applied in the case of a branch of the Kennecott Copper Corporation, which over the same period made an average annual profit of 52.8 per cent in Chile, even reaching such incredible rates as 106 per cent in 1967, 113 per cent in 1968 and over 205 per cent in 1969. Kennecott's average profits in other countries during that period amounted to less than 10 per cent per annum. In other cases, however, the application of the rules established in line with the Constitution has meant that other foreign copper companies have not been subject to deductions under the heading of excessive profits since the reasonable limit of 12 per cent per annum had not been exceeded.

It should be stressed that in the years immediately preceding nationalisation the large copper companies initiated expansion plans. However, those plans — which were unsuccessful for the most part — were not financed from their own resources, despite their huge profits, but by means of external credits. In accordance with legislative provisions, Chile has had to take over responsibility for those debts, which amount to the enormous sum of more than \$727 million. We have begun to pay those debts, including one which one of those enterprises had contracted with Kennecott, its own parent company in the United States.

Those same enterprises exploited Chile's copper for many years, in the last 42 years alone taking out more than \$4,000 million in profits although their

initial investment was no more than \$30 million. In striking contrast, let me give one simple and painful example of what this means to Chile. In my country there are 600,000 children who will never be able to enjoy life in a normal human way because during their first eight months of life they did not receive the minimum amount of protein. Four thousand million dollars would completely transform Chile. A small part of that sum would ensure proteins for all time for all children of my country.

Copper mining has been nationalised not only with scrupulous regard for domestic legislation but also with respect for the norms of international law — which does not exist, of course, simply to serve the interests of the great capitalist enterprises.

That, in brief, is the process through which my country is living and which I have thought it appropriate to describe to this Assembly — a process backed by the authority we enjoy by virtue of the fact that we are complying strictly with the recommendations of the United Nations and basing our economic and social development on our own internal efforts. This Assembly has advocated transforming outmoded institutions and structures; mobilising national resources both natural and human; redistributing income; allocating priority attention to education and health and also to special treatment for the poorer sectors of the population. All these are essential components of our policy and are being implemented to the full.

In view of what I have said, it is all the more painful for me to have to come here to this Assembly to denounce the fact that my country is the victim of serious aggression.

We had foreseen that there would be external difficulties and opposition when we began to make changes, particularly as regards the nationalisation of our natural resources. Imperialism and its cruelties have had a long and ominous history in Latin America; and the dramatic and heroic experience of Cuba is still fresh in our minds, as is that of Peru, which has had to suffer the consequences of its decision to exercise its sovereign rights over its petroleum.

After all the innumerable agreements and resolutions adopted by the world community, recognising the sovereign rights of each country to dispose of its natural resources for the benefit of its people; after the adoption of the International Covenant on Economic, Social and Cultural Rights and the Strategy for the Second Development Decade, which solemnly confirmed all these instruments, here we are, well into the 1970s, suffering from yet another manifestation of imperialism, one that is more subtle, more cunning and more terrifyingly effective in preventing us from exercising our rights as a sovereign State.

From the very day of our electoral triumph on 4 September 1970, we have felt the effects of a large-scale external pressure against us which tried to prevent the inauguration of a Government freely elected by the people, and has attempted to bring it down ever since, an action that has tried to cut us off from the world, to strangle our economy and paralyse trade in our principal export, copper, and to deprive us of access to sources of international financing.

We are aware of the fact that, when we denounce the financial and economic blockade applied against us, it is somewhat difficult for world public opinion, and even for some of our fellow citizens, to understand what we mean. This



aggression is not overt and has not been openly declared to the world; on the contrary, it is an oblique, underhand, indirect form of aggression, although this does not make it any less damaging to Chile.

We are having to face forces that operate in the half-light, that fight with powerful weapons, but that fly no identifying flags and are entrenched in the most varied centres of influence.

There is no embargo against trading with us. No one has stated an intention to fight us face to face. On the surface it would appear that the only enemies we have are our natural political adversaries at home. But this is not true. We are the victims of virtually imperceptible activities, usually disguised with words and statements that extol the sovereignty and dignity of my country. We know in our own hearts, however, the distance that separates these words from the specific activities that we have to face.

I am not talking about vague matters; I am referring to specific problems that burden my people today and that will have even more serious economic repercussions in the coming months.

Like most of the developing countries of the third world, Chile is highly vulnerable on the external side of its economy. Its exports amount to a little over \$1,000 million a year, but over the last 12 months the slump in the price of copper on the world market has meant a loss to my country of income of about \$200 million, whereas the products which the country has to import — both industrial and agricultural — have risen sharply in price, in some cases by as much as 60 per cent. Thus, as nearly always, Chile is obliged to sell cheap and buy at high prices.

Moreover, at this very time, which is itself so difficult for our balance of payments, Chile has had to face, among others, the following concerted actions apparently designed to take revenge on the Chilean people for its decision to nationalise its copper.

Until my Government took office, Chile received a net inflow of resources of approximately \$80 million per year in the form of loans granted by international finance organisations, such as the World Bank and the Inter-American Development Bank. This source of finance has now been cut off abruptly.

In the last decade, Chile was granted loans worth \$50 million by the Agency for International Development of the United States Government. We do not expect that these loans will be continued. The United States, in its sovereignty, may grant or withhold loans in respect of any country it chooses. We only wish to point out that the drastic elimination of these credits has resulted in sharp restrictions in our balance of payments.

When I became President my country had short-term credit facilities from private United States banks amounting to about \$220 million. Within a short space of time, however, about \$190 million of this total credit was withdrawn and we had to pay this sum as the credit was not renewed.

Like most Latin American countries, Chile is obliged, for technological or other reasons, to acquire substantial amounts of capital goods from the United States. Now, however, both the supplier credits and those normally granted by the Export-Import Bank in respect of this type of transaction have also been denied to us, so that we are in the anomalous position of having to pay in

advance to obtain such goods. This places our balance of payments under extraordinarily severe pressure.

Disbursements under the terms of loans contracted with United States public sector agencies, and already in operation before my Government came to power, have likewise been suspended. Consequently, in order to go ahead with the projects concerned — for which it had been confidently expected that financing would be provided by United States Government bodies — we have been obliged to make cash purchases of goods on the United States market, since it is impossible to change the source of the imports in question in the middle of the execution of the projects.

As a result of the actions directed against the copper trade in the countries of Western Europe, our short-term transactions with private banks of that area, mainly involving the collection of payment from sales of copper, have been very seriously obstructed. Thus, credit facilities in respect of over \$20 millions have not been renewed, financial negotiations involving over \$200 million which were on the point of coming to a favourable conclusion have been broken off, and a climate has been created which hampers the normal course of our purchases in Western Europe and seriously distorts all our activities in the field of external financing.

This financial strangulation, which has had an immediate and a violent effect because of the nature of the Chilean economy, has led to the severe limitations of our ability to secure the equipment, spare parts, manufacturing inputs, food-stuffs and medicines which we need. Each and every Chilean is suffering from the consequences of these measures, because they affect the daily life of each citizen, and naturally his internal political life.

What I have just described to the Assembly amounts to a perversion of the fundamental nature of international agencies, the utilisation of which as tools of the policies of individual Member States is legally and morally unacceptable no matter how powerful such States may be. Such misuse represents the exertion of pressure on an economically weak country, the infliction of punishment on a whole nation for its decision to recover its own basic resources, and a pre-meditated form of intervention in the internal affairs of a sovereign State. In a word, it is what we call imperialist insolence. As members are well aware and are scarcely likely to forget, that kind of action has been repeatedly condemned by United Nations resolutions.

We not only are enduring a financial blockade, but also are the victims of downright aggression. Two companies belonging to the hard core of the great transnational enterprises, namely, the International Telephone and Telegraph Company and the Kennecott Copper Corporation, which had driven their tentacles deep into my country, proposed to manage our political life.

IT and T, a gigantic corporation whose capital is larger than the national budgets of several Latin American countries put together, and bigger even than that of some of the industrialised countries, launched a sinister plan to prevent me from acceding to the Presidency just as soon as the people's triumph in the September 1970 elections became known.

Between September and November of that year terrorist activities took place in my country which were planned outside our frontiers in collusion with internal



fascist groups. Those activities culminated in the assassination of the Commander-in-Chief of the Army, General René Schneider Chereau, who was a just man, a great soldier and a symbol of the constitutional attitude of Chile's armed forces.

In March 1972, documents revealing the link between those dark designs and IT and T came to light. The IT and T has admitted that in 1970 it even suggested to the United States Government that it should intervene in the political events in Chile. The documents are authentic, and no one has dared gainsay them.

In July the world was shocked to learn the details of a new plan of action which IT and T itself presented to the United States Government, a plan aimed at overthrowing my Government within a period of six months. I have in my briefcase the document, dated October 1971, which contains the 18 points of that plan. Its objectives included strangling the economy, diplomatic sabotage, sowing panic among the population and fomenting social disorder so that the Government would, it was hoped, lose control of the situation and the armed forces would be impelled to break the democratic system and impose a dictatorship.

At the very moment when IT and T was putting forward that plan, its representatives were pretending to negotiate with my Government a formula for the purchase by the Chilean State of IT and T's share in the Chilean Telephone Company. From the earliest days of my administration we had, for reasons of national security, started conversations to purchase that telephone company controlled by IT and T. I myself had two interviews with senior executives of the enterprise. My Government acted in good faith in those discussions, but IT and T refused to accept a price fixed on the basis of an assessment made by international experts. It placed difficulties in the way of a rapid and fair solution, while surreptitiously trying to bring about a chaotic situation in Chile.

The refusal of IT and T to accept a direct agreement and the knowledge of its sly manoeuvres have compelled us to place a nationalisation bill before Congress.

The decision of the Chilean people to defend the democratic system and the progress of the people's revolution, and the loyalty of the armed forces to their country and its laws, foiled the sinister designs of IT and T.

Before the conscience of the world I accuse IT and T of attempting to bring about civil war in my country, the greatest possible source of disintegration of a country. That is what we call imperialist intervention.

Today Chile is threatened by another danger, the removal of which depends not only on the national will, but also on a wide range of external elements. I refer to the action taken by Kennecott Copper. The Chilean Constitution provides that nationalisation disputes should be resolved by a tribunal which, like all tribunals in my country, has complete independence and sovereignty in the adoption of decisions. Kennecott Copper accepted that jurisdiction and for a year it pleaded its case before that tribunal.

When its appeal was rejected, however, it then decided to use its great power to rob us of our copper export earnings and to bring pressure to bear against the Government of Chile. It was so bold, in September last, as to request the courts in France, the Netherlands and Sweden to place an embargo on those exports. It will no doubt attempt that in other countries too. The grounds for this action could not possibly be less acceptable, from whatever legal or moral standpoint they are viewed.

Kennecott wants the courts of other nations which have nothing to do with the problems or affairs between the Chilean State and the Kennecott Copper Corporation to declare invalid a sovereign act of my Government undertaken by virtue of the highest mandate, namely, that given by the country's Constitution and backed by the unanimous will of the Chilean people.

Such a pretension runs counter to fundamental principles of international law, according to which a country's natural resources — particularly when they are its very lifeblood — belong to it and can be freely utilised by it. There is no generally accepted international law or, in this case, any specific treaty that can justify Kennecott's action. The world community, organised in accordance with the principles of the United Nations, does not accept that international law can be interpreted in a manner which subordinates it to capitalist interests so as to induce the courts of law of any foreign country to protect a structure of economic relations designed to serve capitalism. Were it to do so, it would be undermining a fundamental principle of international life, that of non-intervention in the domestic affairs of States, as explicitly recognised by the third session of UNCTAD. We are governed by the principles of international law that have been reaffirmed repeatedly by the United Nations, particularly in General Assembly resolution 1803 (XVII), and were recently restated by the Trade and Development Board specifically in relation to the denunciation which my country formulated against the Kennecott Copper Corporation. In addition to reaffirming the sovereign right of all countries to dispose freely of their natural resources, the Board's resolution states that:

"... in the application of this principle, such measures of nationalisation as States may adopt in order to recover their natural resources are the expression of a sovereign Power in virtue of which it is for each State to fix the ... procedure for these measures, and any dispute which may arise in that connection falls within the sole jurisdiction of its courts, without prejudice to what is set forth in General Assembly resolution 1803."

General Assembly resolution 1803 (XVII) provides that, in exceptional circumstances, disputes may be settled through international adjudication provided there is agreement between sovereign States and other parties concerned.

This is the sole thesis acceptable to the United Nations. It is the only one which conforms to its philosophy and principles. It is the only one that can protect the rights of the weak from the abuse by the strong. As is only right in view of the foregoing, we have succeeded in the Paris courts in securing the lifting of the embargo affecting the proceeds of the sale of a consignment of our copper.

Notwithstanding, we shall continue with undiminished determination to maintain that only the Chilean courts are competent to pass judgement in any dispute concerning the nationalisation of our basic resources.

For Chile, this is not merely an important problem of juridical interpretation; it is a question of sovereignty. Indeed, it is far more than this — it is a question of survival.

The aggression perpetrated by the Kennecott Copper Corporation is causing serious damage to our economy. The direct difficulties that it has posed for the marketing of copper alone have meant the loss of many millions of dollars for

Chile in two months. But that is not all. I have already referred to the effect that it has had in obstructing my country's financial operations with Western European banks. Quite clearly, there is also a desire to create a climate of uncertainty among the purchasers of our principal export product, but that shall not happen.

Such are the designs of that imperialist enterprise at the present time. It cannot hope, however, that any political or judicial power will in the long run deprive Chile of what is legitimately its own. It is trying to force our hand, but it will never succeed.

The aggression of the great capitalist enterprises is intended to prevent the emancipation of the working classes. It represents a direct attack on the economic interests of the workers, in this specific case, levelled against Chile.

Chile is a nation which has attained the political maturity to decide by majority vote to replace the capitalist economic system by the socialist. Our political system has shown that it possesses institutions that are sufficiently open to have brought about the expression of this revolutionary will without violent upheavals. It is my duty to inform this Assembly that the reprisals and economic blockade that have been employed in an attempt to produce a chain reaction of difficulties and economic upsets represent a threat to domestic peace and coexistence. But they will not achieve their evil intention. The vast majority of the Chilean people can resist this threat with dignity and patriotism. What I said at the beginning will always be true: the history, the land and the people of Chile have combined to produce a great feeling of national identity.

At the third session of UNCTAD I referred to the phenomenon of the transnational corporations and drew attention to the staggering increase in their economic power, political influence and corrupting effect. It is not surprising, therefore, that world opinion should react with alarm in the face of this reality. The power of these corporations is so great as to transcend all frontiers. The foreign investments of United States companies alone, which today amount to \$32,000 million, grew by 10 per cent annually between 1950 and 1970, while United States exports rose by only 5 per cent. The profits of such companies are fabulous and represent an enormous drain on the resources of the developing countries.

In one year, those enterprises repatriated profits from the third world representing net transfers in their favour of \$1,723 million: \$1,013 million from Latin America, \$280 million from Africa, \$366 million from the Far East and \$64 million from the Middle East. Their influence and sphere of action are rudely transforming traditional practices in international trade, transfer of technology, transmission of resources among nations, and labour relations.

We are witnessing a pitched battle between the great transnational corporation and sovereign States, for the latter's fundamental political, economic and military decisions are being interfered with by world-wide organisations which are not dependent on any single State and which, as regards the sum total of their activities, are not accountable to or regulated by any parliament or institution representing the collective interest. In a word, the entire political structure of the world is being undermined.

Merchants have no country of their own. Wherever they may be they have no



ties with the soil. All they are interested in is the source of their profits. Those are not my own words; they were spoken by Jefferson.

What is more, the great transnational enterprises are not only undermining the genuine interests of the developing countries, but their overwhelming and uncontrolled force is felt too in the industrialised countries in which they are based. This fact has been denounced in recent months in Europe and the United States; it has in fact given rise to investigations in the United States Senate. In the face of this danger the developed countries can feel no more secure than the developing world. This disturbing phenomena has already prompted the growing mobilisation of organised labour, including the world's great trade unions. Once again international solidarity among the workers of the world must face a common adversary: imperialism.

This is basically why the Economic and Social Council of the United Nations, as a result of the complaint submitted by Chile, unanimously adopted in July of last year a resolution calling for the convening of a study group of world authorities to examine "the role and impact of transnational corporations in the development process, especially that of the developing countries, and their repercussions on international relations, and to submit recommendations for appropriate international action".

Ours is not an isolated or unique problem: it is simply the local manifestation of a reality that goes beyond our frontiers and takes in the Latin American continent and the whole third world. In varying degrees of intensity and with individual differences, all the peripheral countries are exposed to something of this kind.

As for the developed countries, the concept of human solidarity should cause them to feel repugnance at the fact that a group of corporations can with impunity interfere in the most vital workings of the life of a nation, even going so far as to disrupt it completely.

When the spokesman of the African group in the Trade and Development Board announced the position of the African countries a few weeks ago regarding Chile's complaint about the aggression of the Kennecott Copper Corporation he said that the group was in complete solidarity with Chile because the issue was one that did not affect only one country but represented a potential threat to the entire developing world. Those words are highly significant, for they indicate that a whole continent recognises that what is happening in Chile is opening up a new stage in the battle between imperialism and the weaker countries of the third world.

The battle to protect their natural resources is part of the broader struggle being waged by the countries of the third world to overcome under-development. There is a clear-cut dialectical relationship: imperialism exists because under-development exists; under-development exists because imperialism exists. The aggression that we are suffering makes it seem illusory to give any credence to the promises that have been made in recent years regarding large-scale action to bring the nations of Africa, Asia and Latin America out of their backwardness and want. Two years ago this General Assembly, celebrating the twenty-fifth anniversary of the founding of the United Nations, solemnly proclaimed the Strategy for the Second Development Decade. Under it, all States Members of

the Organisation pledged themselves to spare no effort to change, through specific measures, the existing inequitable international division of labour and to bridge the enormous economic and technological gap separating the affluent countries from the developing nations.

It is now clear that none of those pledges has become a reality. On the contrary, we have moved backwards.

Thus the markets of the industrialised countries have remained as firmly closed as ever to the commodities of the developing world — especially agricultural commodities — and the level of protectionism is on the rise. The terms of trade continue to deteriorate; the system of generalised preferences for our exports of manufactures and semi-manufactures has not been implemented by the nation whose market, given its volume, offered the best prospects; and there is no indication that the country concerned will implement it in the immediate future.

The transfer of public financial resources, far from reaching 0.7 per cent of the developed nations' gross national product, has dropped from 0.34 to 0.24 per cent. The indebtedness of the developing countries, already enormous at the beginning of this year, has risen in a few months from 70,000 to 75,000 million dollars. The heavy debt service payments, which are an intolerable drain on those countries' resources, are largely attributable to the types and terms of the loans. Those payments increased by 18 per cent in 1970, and by 20 per cent in 1971, which is more than twice the average rate for the 1960s.

That is the tragedy of under-development and the tragedy of our countries, that we have not yet been able to claim our rights and, through vigorous concerted action, protect the prices of raw materials and commodities and withstand the threats and aggressions of neo-imperialism.

We are potentially rich countries; yet we live in poverty. We go from place to place seeking credit and help; yet — a true paradox in keeping with the capitalist economic system — we are major exporters of capital.

Latin America, as a component of the developing world, forms part of the picture I have just described. Together with Africa, Asia and the socialist countries, Latin America has fought many battles over the last few years to change the structure of economic and trade relations with the capitalist world and to replace the unjust and discriminatory economic and monetary order created at Bretton Woods at the end of the Second World War.

It is perfectly true that there are disparities in national income between many countries in our region and those of the other developing continents, and such disparities exist too within our region — a region which includes several countries which may be considered as relatively less developed among the developing nations. But these disparities — which become almost insignificant in comparison with the national product of the industrialised world — do not exclude Latin America from that immense sector of humanity which is under-privileged and exploited.

The 1969 Consensus of Vina del Mar affirmed these common characteristics and typified, defined and quantified the region's economic and social backwardness and the external factors responsible for it, stressing the tremendous injustices committed against our region under the guise of co-operation and help. For the much-admired great cities of Latin America conceal the tragedy

of hundreds of thousands of people living in shanty towns, the result of fearful unemployment and under-employment, hiding the gross inequalities between small privileged groups and the broad masses, whose nutrition and health standards are no higher than in Africa, and who have practically no access to culture.

It is easy to understand why Latin America has such a high infant mortality rate and such a low life expectancy when it is realised that it lacks 28 million dwellings and 56 per cent of its population is undernourished, that there are more than 100 million illiterate and semi-illiterate persons, 13 million unemployed and over 50 million underemployed. More than 20 million Latin Americans do not even know what money is, even as a medium for trade.

No system, no government, has been capable of making good the dramatic deficiencies in housing, work, food and health. On the contrary, these get worse year by year with the natural growth of population. If this situation continues, what will happen at the end of the century when the population will be over 600 million!

The situation is even worse in Asia and Africa, with their lower *per capita* income and weaker development process.

It is not always realised that the Latin American subcontinent, with its enormous potential resources, has become the main field of action of economic imperialism in the past 30 years. Recent data from the International Monetary Fund reveal that for Latin America the private investments account of the developed countries showed a deficit of \$9,000 million between 1960 and 1970. In other words this amount represents a net capital contribution to the richest countries in one decade.

Chile feels a deep sense of solidarity with all the countries of Latin America, without exception. It therefore advocates and strictly observes the policy of non-intervention and self-determination, which it applies at the world level. We ardently promote closer economic and cultural relations. We support greater dovetailing and integration of our economies. Hence, we are working enthusiastically within LAFTA and, as a first step, we are striving for the formation of a common market for the Andean countries, linking us with Bolivia, Colombia, Peru and Ecuador.

Gone are the days when Latin America simply protested. Statistical data and the continent's needs contributed towards strengthening a sense of awareness. Ideological barriers have been broken down by realities. Plans designed to divide and isolate us have not succeeded. What has come to the forefront is a desire to co-ordinate the defence of the interests of all nations of the hemisphere and of those of all developing nations. "Those who stand in the way of peaceful revolution make violent revolution inevitable". Again, those are not my words; I share them. They were spoken by John Kennedy.

Chile is not alone. No one has succeeded in isolating it from Latin America or from the rest of the world. On the contrary, it has received infinite demonstrations of solidarity and support. The growing repudiation of imperialism, the respect merited by the efforts of the Chilean people, and the response to our policy of friendship with all nations of the world have combined to defeat the attempts to erect a hostile barrier around us.



In Latin America all the systems of economic and cultural co-operation and of integration to which Chile belongs at the regional and subregional level have continued to gain vigour at a rapid pace, and within this context our trade, particularly with Argentina, Mexico and the countries signatories of the Cartagena Agreement, has increased considerably.

There has been no split in the concerted stand adopted by the Latin American countries at world and regional meetings in support of the principles of self-determination in respect of their natural resources. In the face of the recent threats to our sovereignty we have received fraternal demonstrations of complete solidarity. To all we offer our sincere thanks.

Socialist Cuba, which is enduring a rigorous blockade, has always unreservedly given us its revolutionary support.

At the world level, I must say in particular that right from the start the socialist countries of Europe and Asia have been at our side in an attitude of absolute solidarity. The large majority of the world community honoured us in choosing Santiago as the site for UNCTAD III, and it has displayed interest in our invitation — which I hereby repeat — to hold in Chile the forthcoming United Nations Conference on the Law of the Sea.

In September, the Conference of Foreign Ministers of the Non-Aligned Countries in Georgetown, Guyana, publicly expressed its firm support for us in our fight against the aggression practised by the Kennecott Copper Corporation.

The Foreign Ministers of CIPEC, the co-ordinating body established by the main copper exporting countries: Peru, Zaire, Zambia and Chile, recently met in Santiago at the request of my Government to take up Kennecott's aggression against my country. At that meeting CIPEC adopted various resolutions and recommendations of great significance. These constitute unreserved support for our position and an important step taken by third world countries to defend the trade in their raw materials.

No doubt there will be an important debate in the Second Committee on those resolutions. I merely wish to stress the categorical assertion that any action likely to hinder or curtail the exercise of a nation's sovereign right freely to dispose of its natural resources entails an act of economic aggression. The action of Kennecott Copper Corporation against Chile indeed constitutes economic and trade aggression. Furthermore those resolutions call for the suspension of all economic or trade relations with Kennecott, and provide that disagreements on questions regarding compensation for nationalisations are within the sole jurisdiction of the very States exercising such rights. But of paramount importance is the decision taken by CIPEC to establish a "permanent mechanism for protection and solidarity" regarding copper. Such a mechanism, together with that of OPEC on oil, leads the way to what should be an organisation of all third world countries to protect and defend all their commodities, mineral and hydrocarbons as well as agricultural.

The vast majority of the countries of Western Europe, from the Scandinavian countries in the north to Spain in the south, have increased their co-operation with Chile, and their understanding has been of great support to us. Thanks to that, we have renegotiated our external debt.

Lastly, we have been touched to see the solidarity of the workers of the world,

expressed through their major federations and trades unions and made manifest in such deeply significant acts as the refusal of the stevedores of Le Havre and Rotterdam to unload Chilean copper, payment for which had been arbitrarily and unjustly placed under embargo.

I have centred my statement on the aggression against Chile and on Latin American and world problems which are connected with the origin or effects of that aggression. I now wish to refer briefly to other matters of interest to the international community.

I shall not mention all the world problems on the agenda of this session. I do not pretend to have solutions for them. This Assembly has been working hard for over two months in defining and adopting appropriate measures, and I am confident that this work will bear fruitful results. My comments will be of a general character and will reflect some concerns of the Chilean people.

The picture of the international political scene in which we have lived since the last world war has changed very rapidly, and this has resulted in a new correlation of forces. Centres of political and economic power have grown in number and strength. The socialist world, whose influence has increased significantly, is playing an ever more important role in the adoption of vital international policy decisions. I am convinced that the reform of world trade relations and the international monetary system — a change that is desired by all nations of the world — will be impossible unless all countries in the world, including those in the socialist area, participate fully in the process. The People's Republic of China, which contains nearly one-third of the world's population, has finally, after a long period of unjust ostracism, recovered its place in the forum of multilateral negotiations and has initiated diplomatic and trade relations with most countries of the world.

The European Economic Community has been enlarged with the entry of the United Kingdom and other countries, which now have a bigger say in decision-making, particularly in the economic field. Japan's economic growth-rate has reached prodigious proportions.

The developing world is daily becoming more conscious of the realities which surround it and of its own rights. It demands justice and equal treatment and recognition of its rightful place on the world scene.

As always, the motive force behind these changes has come from the people, who are making history in their progressive struggle for freedom. Man's intelligence has pushed science and technology forward at a giddy pace. The persistence and vigour of the policy of peaceful coexistence, economic independence and social progress which the socialist nations have promoted has helped decisively to ease the tensions that divided the world for more than 20 years, and it has been a determining factor in the acceptance of new values in international relations and society.

We welcome the changes which bring promises of peace and prosperity to many nations, but we demand that the whole of mankind be able to share in them. Unfortunately, these changes have brought only meagre benefits to the developing world, which continues to be as exploited as before and indeed is becoming increasingly remote from the civilisation of the industrialised world. The

noble aspirations and the just rebellion now seething in it will continue to find expression in an increasingly forcible manner.

We are gratified to see the virtual end of the cold war, and other heartening developments: the negotiations between the Soviet Union and the United States on both trade and disarmament; the conclusion of treaties between the Federal Republic of Germany and the Soviet Union and Poland; the imminence of the European Security Conference: the negotiations between the two German States and their almost certain entry into the United Nations; and the negotiations between the Governments of the Democratic People's Republic of Korea and the Republic of Korea, to name some of the most promising. There is no doubt that the international situation is now marked by truces, agreements and an easing of the previously explosive situation.

There are still too many unresolved conflicts, however, that call for a stronger will by the parties to reach agreement and for collaboration between the world community and the major Powers. Aggression and friction continue unabated in several parts of the world: the Middle East conflict, the most explosive of all, for which it has not yet proved possible to find the peaceful settlement advocated in resolutions of the principal organs of the United Nations, among which is resolution 242 (1967) of the Security Council; the blockade and persecution of Cuba; colonial exploitation, the ignominy of racism and *apartheid*; the widening of the economic and technological gaps between rich and poor countries.

There is as yet no peace in Indo-China. But it has to come. There shall be peace for Viet-Nam. It must be so, because nobody now has any doubt regarding the futility of this monstrously unjust war that is still pursuing the totally unobtainable objective of imposing on peoples with a revolutionary consciousness policies which they cannot accept because they run counter to their national interests, their genius and their personality.

Peace will come. But what will this war — so cruel, so long and so unfair — leave behind it? After all these years of bloody fighting, the only outcome is the torture of a remarkably dignified people; millions of dead and orphaned; entire cities wiped out; the ecological destruction of hundreds of thousands of acres of land, devastated without any possibility of future vegetation. The people of the the United States themselves are touched by grief; thousands of homes have been plunged into sorrow by the absence of their loved ones. The path that was laid out by Lincoln has not been followed.

This war has also taught many lessons. It has taught the world that the abuse of power saps the moral fibre of the country that misuses it and produces profound doubts in its own social conscience; whereas a people defending its independence can be raised to heroic heights by its convictions and rendered capable of resisting the physical violence of the world's mightiest military and economic machine.

The new political framework offers favourable conditions for the community of nations, in coming years, to make a major effort to give the world order a new lease of life and a new dimension.

That effort must be founded on the principles of the Charter, and on others, such as those of UNCTAD III, which the world has added to it. As we have already said, the United Nations should be guided by three concepts that are



fundamental to the responsibilities entrusted to it: collective political security, collective economic and social security, and universal respect for basic human rights, including economic, social and cultural rights, without any discrimination whatsoever.

We attach particular importance to the need to ensure collective economic security, on which Brazil and the United Nations Secretary-General have recently placed so much stress.

As a major step in this direction, the world Organisation should implement as soon as possible the Charter of Economic Rights and Duties of States, a valuable proposal which the President of Mexico, Luis Echeverria, brought before the third session of UNCTAD. Like this great leader of a fraternal country, we too too believe that a just order and a stable world are impossible so long as no set of commitments and rights has been established to protect the weaker States.

Future action by the community of nations must place emphasis on a policy in which all nations will play an active part. After all, the United Nations Charter was conceived and presented in the name of "We, the peoples of the United Nations . . . ."

International action must be directed towards serving the man who enjoys no privileges but who suffers and toils: the miner in Cardiff and the *fellah* in Egypt; the cocoa farmer in Ghana or the Ivory Coast, and the peasant of the plateaus of South America: the fisherman in Java and the coffee farmer in Kenya or Colombia. International action must reach the 2,000 million underprivileged, those whom the community has the obligation to bring up to the level of the modern world and to reaffirm the "dignity and worth of the human person", to use the words of the Preamble to the Charter.

The international community must not wait a moment longer to secure the implementation of the strategy for the Second Development Decade and to bring that instrument into line with the new realities of the third world and the burgeoning awareness of its peoples.

The slackening of tension in international relations and the progress of co-operation and understanding make it not only possible but essential to divert all the enormous efforts that have been devoted to making war to activities that will try to cross new frontiers and meet the truly vast and varied needs of more than two-thirds of mankind. Thus, the more developed countries must increase their production and employment in line with the real interests of the less developed countries. Only when that is done will it be possible to say that the international community really exists.

This Assembly is to decide upon the arrangements for holding the United Nations conference which is to establish what is termed the law of the sea — namely, a set of standards to regulate, on a world-wide basis, everything connected with the use and exploitation of the vast areas represented by the sea and the sea-bed, including the subsoil thereof. This is a major task of great promise for the United Nations, for the problem is one of which mankind in general has only recently developed an awareness, and even many existing situations may be perfectly compatible with the general interest. I should like to recall that just 20 years ago the countries in the southernmost part of Latin America — Ecuador, Peru and Chile — were responsible for beginning that process which will culminate

in the adoption of a treaty on the law of the sea. It is essential that the treaty include the principle approved at the third session of UNCTAD on the rights of coastal States over the resources of the sea-bed and the subsoil thereof coming within the limits of their national jurisdiction, and that instruments and machinery be established to ensure that the sea-bed area beyond the limits of national jurisdiction is the common patrimony of mankind and is exploited for the benefit of all by an international authority.

I should like to reaffirm our confidence in the mission of the United Nations. We know that its successes and its failures depend on the political will of the States of the World and on its ability to interpret the wishes of the vast majority of mankind. Whether the United Nations is simply a forum for debates or an effective instrument depends on the will of those States.

I have brought to this Assembly the voice of my country, a country united in the face of pressure from outside, a country that asks for and deserves understanding, for it has always respected the principles of self-determination and complied strictly with the principle of non-intervention in the internal affairs of other States. My country has never failed to comply with its international obligations and is now actively cultivating friendly relations with all the countries of the world. Admittedly, we have differences of opinion with some of them, but there is no country with which we are not prepared to talk matters over, using the framework of the multilateral and bilateral instruments to which we are parties. Our respect for those treaties is unswerving.

I have tried to reaffirm most emphatically that a desire for universal peace and co-operation is one of the dominant characteristics of the Chilean people. That is why they will resolutely defend their political and economic independence and the implementation of their collective decisions, which have been democratically adopted in the full exercise of their sovereignty.

Events that have taken place within less than a week strengthen our conviction that soon victory will be with us in the struggle to attain these objectives: the candid, direct and friendly exchange of views with the distinguished President of Peru, General Juan Velasco Alvarado, who publicly re-stated the full solidarity of his country with Chile in the face of the hostile actions I have already exposed, the CIPEC resolutions I have mentioned, and my visit to Mexico.

It is difficult, indeed almost impossible, to describe the depth, the force, the spontaneity and the eloquence of the support given us by the Government of Mexico and the Mexican people. I received such expressions of support from President Luis Echevarria, the Parliament, the universities and the people, all speaking with one voice, that I am still under the spell of their boundless generosity.

I come here reassured, for after such an experience I am absolutely certain that the awareness of the Latin American peoples of the risks facing us all has acquired a new dimension and that they are convinced that only by unity can they defend themselves from this grave peril.

When one has witnessed, as I have in the past few days, the enthusiasm and warmth of hundreds of thousands of men and women crowded in the streets and squares and crying slogans such as, "We are all for you; do not give up", all our doubts are dispelled and all our anxieties are erased.

It is the peoples, all the peoples south of the Rio Bravo, that stand up to shout, "Enough — no more dependence", "an end to intervention"; to affirm the sovereign right of all developing nations freely to dispose of their natural resources. This is something that is embodied in the conscience and determination of more than 220 million human beings who demand that they be listened to and respected.

Hundreds of thousands of Chileans wished me Godspeed with fervour and warmth when I left my country and gave me the message which I have offered to this world Assembly. I am convinced that you, representing the nations of the world, will understand and assess my words. It is our faith in ourselves that increases our confidence in the great values of humanity and our confidence that those great values will prevail. They cannot be destroyed.

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